

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re **Chinacast Education Corporation**
Debtor

Case No. **16-13121 (MKV)**
Reporting Period: **31-Dec-16**

Federal Tax I.D. # **20-0178991**

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

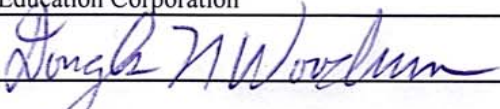
(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>		
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CON'T)</u>		
Copies of bank statements			
Cash disbursements journals			
Statement of Operations	<u>MOR-2</u>		
Balance Sheet	<u>MOR-3</u>		
Status of Post-petition Taxes	<u>MOR-4</u>		
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>		
Listing of Aged Accounts Payable			
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>		
Taxes Reconciliation and Aging	<u>MOR-5</u>		
Payments to Insiders and Professional	<u>MOR-6</u>		
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>		
Debtor Questionnaire	<u>MOR-7</u>		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Chinacast Education Corporation

Date: January 13, 2017



Date

Douglas N Woodrum

Date

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

In re Chinacast Education Corporation
DebtorCase No. 16-13121 (MKV)Reporting Period: 31-Dec-16**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH	86,360				86,360
RECEIPTS					
CASH SALES					
ACCOUNTS RECEIVABLE - PREPETITION					
ACCOUNTS RECEIVABLE - POSTPETITION					
LOANS AND ADVANCES					
SALE OF ASSETS					
OTHER (ATTACH LIST)					
TRANSFERS (FROM DIP ACCTS)					
TOTAL RECEIPTS	-				-
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS	-				-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH - END OF MONTH	86,360				86,360

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	-
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	-

In re Chinacast Education Corporation
Debtor

Case No. **16-13121 (MKV)**
Reporting Period: **31-Dec-16**

BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page. (Bank account numbers may be redacted to last four numbers.)

	# Operating	# Payroll	# Tax	# Other
BALANCE PER BOOKS				
BANK BALANCE	86,360			
(+) DEPOSITS IN TRANSIT (<i>ATTACH LIST</i>)				
(-) OUTSTANDING CHECKS (<i>ATTACH LIST</i>):				
OTHER (<i>ATTACH EXPLANATION</i>)				
ADJUSTED BANK BALANCE *	86,360			

*"Adjusted Bank Balance" must equal "Balance per Books"

[illegible]

OTHER

In re **Chinacast Education Corporation**
Debtor

Case No. **16-13121 (MKV)**
Reporting Period: **31-Dec-16**

STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH	CUMULATIVE -FILING TO DATE
Gross Revenues	-	-
Less: Returns and Allowances		
Net Revenue	-	-
COST OF GOODS SOLD		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (<i>attach schedule</i>)		
Less: Ending Inventory		
Cost of Goods Sold	-	-
Gross Profit	-	-
OPERATING EXPENSES		
Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs		
Officer/Insider Compensation*		
Insurance		
Management Fees/Bonuses		
Office Expense	434	434
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense		
Salaries/Commissions/Fees		
Supplies		
Taxes - Payroll		
Taxes - Real Estate		
Taxes - Other		
Travel and Entertainment	751	751
Utilities		
Other (<i>attach schedule</i>)	27,545	27,545
Total Operating Expenses Before Depreciation	28,730	28,730
Depreciation/Depletion/Amortization	-	-
Net Profit (Loss) Before Other Income & Expenses	(28,730)	(28,730)
OTHER INCOME AND EXPENSES		
Other Income (<i>attach schedule</i>)	-	-
Interest Expense	-	-
Other Expense (<i>attach schedule</i>)	-	-
Net Profit (Loss) Before Reorganization Items	(28,730)	(28,730)

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Case No. **16-13121 (MKV)**

Debtor

Reporting Period: **31-Dec-16**

REORGANIZATION ITEMS		
Professional Fees	-	-
U. S. Trustee Quarterly Fees	-	-
Interest Earned on Accumulated Cash from Chapter 11 (<i>see continuation sheet</i>)	-	-
Gain (Loss) from Sale of Equipment	-	-
Other Reorganization Expenses (<i>attach schedule</i>)	-	-
Total Reorganization Expenses	-	-
Income Taxes	-	-
Net Profit (Loss)	(28,730)	(28,730)

*"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

Norton Rose - HK legal fees Wu Cai Yu litigation	27,545	27,545

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

In re **Chinacast Education Corporation**
Debtor

Case No. **16-13121 (MKV)**
Reporting Period: **31-Dec-16**

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS			
Unrestricted Cash and Equivalents	86,360	86,360	86,360
Restricted Cash and Cash Equivalents (<i>see continuation sheet</i>)			
Accounts Receivable (Net)			
Inventories			
Prepaid Expenses			
Professional Retainers			
Other Current Assets (<i>attach schedule</i>)	519,000	519,000	519,000
TOTAL CURRENT ASSETS	605,360	605,360	605,360
PROPERTY & EQUIPMENT			
Real Property and Improvements			
Machinery and Equipment			
Furniture, Fixtures and Office Equipment			
Leasehold Improvements			
Vehicles			
Less: Accumulated Depreciation			
TOTAL PROPERTY & EQUIPMENT	-	-	-
OTHER ASSETS			
Amounts due from Insiders*			
Other Assets (<i>attach schedule</i>)	536,083,987	540,083,987	540,083,987
TOTAL OTHER ASSETS	536,083,987	540,083,987	540,083,987
TOTAL ASSETS	536,689,347	540,689,347	540,689,347
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)			
Accounts Payable	1,185	-	-
Taxes Payable (<i>refer to FORM MOR-4</i>)			
Wages Payable			
Notes Payable			
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments			
Professional Fees	27,545	-	-
Amounts Due to Insiders*			
Other Post-petition Liabilities (<i>attach schedule</i>)			
TOTAL POST-PETITION LIABILITIES	28,730	-	-
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt			
Priority Debt			
Unsecured Debt	88,023,734	88,023,734	88,023,734
TOTAL PRE-PETITION LIABILITIES	88,023,734	88,023,734	88,023,734
TOTAL LIABILITIES	88,052,464	88,023,734	88,023,734
OWNERS' EQUITY			
Capital Stock			
Additional Paid-In Capital			
Partners' Capital Account			
Owner's Equity Account			
Retained Earnings - Pre-Petition			
Retained Earnings - Post-petition			
Adjustments to Owner Equity (<i>attach schedule</i>)			
Post-petition Contributions (<i>attach schedule</i>)			
NET OWNERS' EQUITY	-	-	-
TOTAL LIABILITIES AND OWNERS' EQUITY	88,081,194	88,023,734	88,023,734

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Debtor

Case No. **16-13121 (MKV)**
Reporting Period: **31-Dec-16**

BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
Hong Kong Court Deposit	519,000	519,000	519,000
Other Assets			
Litigation Recovery Efforts (Dec 2016 Chinacast withdrew \$4m case against Tong Chi Kar Charles)	536,083,987	540,083,987	540,083,987
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH		BOOK VALUE ON PETITION DATE
Other Post-petition Liabilities			
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.
Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re **Chinacast Education Corporation**
Debtor

Case No. **16-13121 (MKV)**
Reporting Period: **31-Dec-16**

STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other: _____						
Total Federal Taxes	-	-	-	-	-	-
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other: _____						
Total State and Local	-	-	-	-	-	-
Total Taxes	-	-	-	-	-	-

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					
	Current	0-30	31-60	61-90	Over 91	Total
Accounts Payable	1,185					1,185
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees	27,545					27,545
Amounts Due to Insiders						
Other: _____						
Other: _____						
Total Post-petition Debts	28,730	-	-	-	-	28,730

Explain how and when the Debtor intends to pay any past due post-petition debts.

Cash balances and assets recovered from litigation recovery efforts during 2017.

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Reporting Period: **31-Dec-16**

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	-
Plus: Amounts billed during the period	
Less: Amounts collected during the period	
Total Accounts Receivable at the end of the reporting period	-

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Accounts Receivable	-	-	-	-	-
Less: Bad Debts (Amount considered uncollectible)	-	-	-	-	-
Net Accounts Receivable	-	-	-	-	-

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable	-	-	-	-	-

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Reporting Period: **31-Dec-16**

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
TOTAL PAYMENTS TO INSIDERS		-	-

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS		-	-	-	-

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS		-	-

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X